

Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 SSO-00 INRE-00 AID-05
CEA-01 CIAE-00 COME-00 EB-08 FRB-01 INR-10
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TAGS: EAGR, EEC
SUBJ: EC PROCESSING SUBSIDIES FOR FRUITS AND VEGETABLES

REF: (A) BRUSSELS 593; (B) EC A-13; (C) BRUSSELS 9192;
(D) BRUSSELS 9314; (E) BRUSSELS 10805

1. SUMMARY: THE EC REGULATION ESTABLISHING THE PROCESS-
ING SUBSIDY SYSTEM FOR CERTAIN FRUITS AND VEGETABLES HAS
JUST BEEN PUBLISHED. THIS REGULATION ALSO ABOLISHES THE
MINIMUM IMPORT PRICE SYSTEM FOR TOMATO CONCENTRATES. THE
PROVISIONS OF THE REGULATION ARE OUTLINED BELOW. END
SUMMARY.

2. COUNCIL REGULATION 1152/78 AMENDS COUNCIL REGULATION
516/77, WHICH ESTABLISHED THE CAP FOR PROCESSED FRUITS
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AND VEGETABLES, AND ESTABLISHES A SYSTEM OF PROCESSING
SUBSIDIES FOR THE FOLLOWING PRODUCTS: EX 08.12, PRUNES
DERIVED FROM DRIED PLUMS ("PRUNES D'ENTE"); EX 20.02C,
TOMATO CONCENTRATES; EX 20.02C, PEELED TOMATOES;
EX 20.06B, PEACHES IN SYRUP; EX 20.07, TOMATO JUICE.
ACCORDING TO COMMISSION OFFICIALS, THE "PRUNES D'ENTE"
TERM MEANS ONLY PRUNES DERIVED FROM DRIED PLUMS. IT IS

NOT A VARIETAL NAME AS ALLEGED IN REF E. ALL PRUNES PRODUCED IN THE EC WOULD BE CHARACTERIZED "PRUNES D'ENTE." COPIES OF REGULATION NO. 1152/78 ARE BEING SENT TO ED CASEY, EUR/RPE AND HOMER SABATINI, FAS/USDA.

3. THE REGULATION IS BASICALLY THE SAME AS THE COMMISSION PROPOSAL REPORTED REFS A AND B, ALTHOUGH THERE ARE A FEW SIGNIFICANT MODIFICATIONS. THE MARKETING YEAR FOR THE PRODUCTS COVERED BY THIS SUBSIDY SYSTEM IS JULY 1 TO JUNE 30 EXCEPT FOR PRUNES, FOR WHICH THE MARKETING YEAR IS SEPTEMBER 1 TO AUGUST 31. THE REGULATION PROVIDES FOR A COMMISSION REVIEW OF THE SUBSIDY SYSTEM BEFORE OCTOBER 1, 1982; BASED ON THE COMMISSION'S REPORT, THE COUNCIL IS TO DECIDE WHETHER OR NOT TO CONTINUE THE SCHEME.

4. IN ORDER TO BE ELIGIBLE FOR PROCESSING SUBSIDIES, PROCESSORS MUST CONCLUDE CONTRACTS WITH PRODUCERS OR RECOGNIZED PRODUCER GROUPS. THESE CONTRACTS MUST SPECIFY THE QUANTITIES OF RAW MATERIALS, THE SCHEDULE OF DELIVERIES, AND THE PRICES PAID TO PRODUCERS. THE PRICE SPECIFIED IN THE CONTRACT MUST NOT BE LESS THAN A MINIMUM PRICE FIXED BY THE COMMISSION. THIS MINIMUM PRICE IS TO BE CALCULATED THE FIRST TIME ON THE BASIS OF: (A) AVERAGE PRICES PAID BY PROCESSORS DURING THE PRECEDING MARKETING YEAR AND (B) THE TREND IN PRODUCTION COSTS IN THE FRUITS AND VEGETABLES SECTOR. FOR SUBSEQUENT YEARS, IT WILL BE UNCLASSIFIED

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CALCULATED ON THE PRICES OF THE MINIMUM PRICE IN FORCE IN THE PREVIOUS MARKETING YEAR AND THE TREND IN PRODUCTION COSTS.

5. THE AMOUNT OF SUBSIDY IS SUPPOSED TO MAKE UP THE DIFFERENCE BETWEEN THE PRICES OF COMMUNITY PRODUCTS AND THOSE OF NON-MEMBER COUNTRIES. EC PRICES ARE TO BE ESTABLISHED ON THE BASIS OF THE MINIMUM PRICE FIXED BY THE COMMISSION AND EC INDUSTRY PROCESSING COSTS (DIS- REGARDING UNDERTAKINGS WITH THE HIGHEST COSTS). THIRD COUNTRY PRICES ARE TO BE BASED ON THE FREE-AT-FRONTIER IMPORT PRICES TO THE EC AND THE PRICES OBTAINING IN INTERNATIONAL TRADE. HOWEVER, ONLY THE LATTER IS TO BE USED IN DETERMINING THE PRICES FOR TOMATO CONCENTRATES. BOTH THE AMOUNTS OF THE SUBSIDY AND THE MINIMUM PRICES FOR PRODUCERS ARE TO BE FIXED BY THE COMMISSION, USING MANAGEMENT COMMITTEE PROCEDURE, BEFORE THE START OF THE MARKETING YEAR.

6. THE SUBSIDIES ARE TO BE PAID WHEN THE AUTHORIZED MEMBER STATE AGENCY DETERMINES THAT THE PROCESSOR HAS PAID THE PRODUCER AT LEAST THE MINIMUM PRICE, THAT THE

PRODUCTS UNDER CONTRACT HAVE BEEN PROCESSED AND THAT
PROCESSED PRODUCTS COMPLY WITH EC QUALITY STANDARDS.

7. THE REGULATION INCLUDES A PROVISION ENABLING THE
COUNCIL TO LIMIT THE GRANTING OF THE PRODUCTION SUBSIDY
TO A SPECIFIED QUANTITY TAKING INTO ACCOUNT AVERAGE
PRODUCTION IN THE THREE YEARS PRECEDING THE MARKETING
YEAR WHERE "COMMUNITY PRODUCTION POTENTIAL...IS LIKELY
TO CAUSE A MAJOR IMBALANCE BETWEEN PRODUCTION AND
MARKETING POSSIBILITIES."

8. ARTICLE 3 AND THE SECOND INDENT OF ARTICLE 10(2) OF
REGULATION NO. 516/77 WHICH ESTABLISHED THE MINIMUM
IMPORT PRICING SYSTEM FOR TOMATO CONCENTRATES ARE
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REPEALED BY THIS REGULATION EFFECTIVE JULY 1, 1978.

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